

Air Pouch # 291

MR. NATHAN, Asher  
Ethiopia  
25-3-58  
NPV-A-504

23 March 1958

File: Israeli Arms Shipment  
Merr, Golda  
PERES, Shimon.

To:    
From:    
Subj: Operational  
Israel Arms Deal  
Ref:  437

1. Teivo KALA, the Finnish Charge d'Affaires in Israel, told me two days ago that a very well informed person whose information has stood the test of time during the last four years informed him that the Israeli who sold the arms shipment and B-17 plane through Bedek to Bernard BAZAROW (AKAROW) was one Arthur BEN NATHAN, a former "C-2 type". He was also formerly head of INCODE, an Israeli cover firm located in Switzerland with a Swiss registration, which has cattle and trade interests in Ethiopia and which engages in international arms deals for Israel. BEN NATHAN is the middle man for the government and acted in this case on instructions from shimon PERES, Secretary General of the Ministry of Defense. KALA was told that the arms were bought for Latin American interests and bound for Haiti. You can add this destination to your probably fast growing list.

2. So far nobody in Israel seems to know (or wants to tell) where the arms were going. Certainly BEN-CHION and PERES, along with a few others, knew, but when I casually asked   at a time when he was in a talkative mood, he professed to know no more than the general area, i.e., Latin America.

3. This event broke while Golda MEIR was in Ghana which, according to KALA's source, so infuriated her that she submitted her second resignation in as many months. It was refused, as was the first one which she sent to SEDLICOW after the planned Dayan-Peres arms trip to Germany ended in a fiasco. Mrs. MEIR considers this kind of behavior rank interference in the affairs of her ministry by PERES who is known to do a considerable amount of free-wheeling in France.

SECRET

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